

Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

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SUBJECT: JUNE 8 EA PRESS SUMMARY

1. KOREA

MARRO (NYT) NOTES USG INVESTIGATORS INCREASINGLY EXAMINE SK TIES OF PROMINENT REPUBLICANS, THO CRIMINAL INVESTIGATION STILL AIMED MOST DIRECTLY AT HANDFUL PRESENT/FORMER DEM HOUSE MEMBERS. SAYS SOURCES STRESSED HARD EVIDENCE ILLEGAL/IMPROPER CONDUCT STILL LACKING IN MANY CASES, BUT INVESTIGATORS FOLLOWING TRAIL GIFTS/FAVORS/ENTERTAINMENT/CAMPAIGN UNCLASSIFIED

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CONTRIBUTIONS/CASH-STUFFED ENVELOPES KOREAN AGENTS SAID TO HAVE SPREAD HAVE BEGUN RUNNING ACROSS NUMBERS PROMINENT REPUBLICANS, IN ADDITION TO DEMS KNOWN BE SUBJ:CTS FEDL GRAND JURY INVESTIGATION. MENTIONS MANY REPUBLICANS WHO HAVE COME UNDER SCRUT;NY ARE KNOWN HAVE HAD SOCIAL/BUSINESS CONTACTS W/TONGSUN PARK.(EXCERPTED IN SUN).

VOLZ (NYDN) SAYS REP CAPUTO (R-NY) PLANS ASK COLLEAGUES ON HOUSE ETHICS CMTE SIGN STATEMENTS THAT THEY HAVE NOT ACCEPTED OVER 100 DOLS IN GIFTS FROM SK AGENTS/OTHER

FOREIGN GROUPS.

BABCOCK/CHESHIRE (WP) REPORT ROKG CONTINUES DENY ANY CONNECTION W/TONGSUN PARK. QUOTE CHUNG IL KWON, SPEAKER SK NATL ASSY, THAT HAD ONLY "CASUAL ACQUAINTENCE" TONGSUN PARK DURING 1960-63 WHEN SERVED AS AMB TO US AND PARK WAS COLLEGE STUDENT. STATE THAT IN FACT CHUNG/PARK VISITED TOGETHER IN WASHINGTON/SEOUL/TOKYO, TRAVELED TOGETHER TO TAIWAN DURING PAST FEW YRS. GIVE SUMMARY TIMES/PLACES/ PEOPLE WHO SAY SAW THEM TOGETHER. MENTION THAT TONGSUN PARK ACCOMPANIED EX-REP PASSMAN (D-LA) TO MTGS W/CHUNG IN SK IN EARLY 70S. CITE ALLEGATIONS MADE BY EX-KCIA DIR KIM HYUNG WOOK; SAY HIRC SUBCMTE AGREED ASK/SUBPOENA KIM TO TESTIFY UNDER OATH AT PUBLIC HEARING. ADD ROKG SPOKESMAN AT SEOUL REPUDIATED KIM'S REMARKS AS UNTRUE/ATTACKED KIM PERSONALLY.

ROKG SPOKESMAN ISSUED SEVERELY WORDED STATEMENT TUES CONDEMNING KIM FOR BLAMING PRES PARK FOR SCANDAL/ACCUSING HIM "BETRAYING" COUNTRY (NYT SPEC). FORMER DOS OFFICIAL DON RANARD CHARGES NIXON ADMIN COVERED UP ROKG EFFORTS INFLUENCE US CONGRESSMEN THRU PAYOFFS/OTHER MEANS. TOLD REUTER TUES THAT CIA/FBI/EX-SECDEF LAIRD/IRS/CUSTOMS/DOS/ DOJ ALL KNEW ABOUT IT; STATES WIDESPREAD AWARENESS COUPLED W/INDIFFERENCE AMOUNTED TO COVER-UP (REUTER WASHINGTON 6/7).

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"NIHON KEIZAI SHIMBUN" SAYS US PLANS START PULLOUT FROM SK IN OCT, W/1ST 6000 SOLDIERS OUT BY SEPT OR END 78. ADDS TIMING ON W/DRAWAL 2ND BATCH WILL BE DETERMINED AFTER ASSESSING ASIAN SITUATION/US PUBLIC OPINION/MIL SITUATION IN SK (REUTER TOKYO).

SK'S CURRENT ACCOUNT REGISTERS TRADE SURPLUS OF 713 MILLION DOLS DURING 1ST 5 MOS THIS YR, DUE STEADY INCREASE EXPORTS/ INVISIBLES. FOREX HOLDINGS JAN-MAY RISE TO RECORD 3.51 BILLION DOLS (UPI, JOC).

2. JAPAN

WP'S SAAR (TOKYO) REPORTS MANSFIELD'S ARRIVAL/FACT JAPANESE HAIL APPOINTMENT AS SYMBOL HIGH IMPORTANCE CARTER PLACES ON US-JAPAN RELS.

HARLEY-DAVIDSON--ONLY US MOTORCYCLE MFR--CHARGED JAPANESE MOTORCYCLE MFRS 6/7 W/DUMPING PRODUCTS ON US MARKET/SELLING SAME MOTORCYCLES AT PRICES 58 PCT BELOW THOSE CHARGED IN JAPAN. FIRM ASKED DOT STOP "UNFAIR PRICING PRACTICES"/ CLAIMS JAPANESE HAVE CORNERED 87 PCT US MOTORCYCLE MARKET (UPI, WP; NYT; WSJ).

REUTER (TOKYO) REPORTS JAPAN'S 4 LEADING MOTORCYCLE MFRS DISMISSED AS GROUNDLESS HARLEY'S CHARGES. HONDA SAID ITS PRODUCTS ALWAYS SOLD IN US AT FAIR/REASONABLE PRICES; SUZUKI ADDED THERE WAS NO NEED FOR DUMPING AS ASSEMBLY LINES FILLED TO CAPACITY TO MEET EVER INCREASING US DEMAND.

ELIA (WSJ) REPORTS JAPAN'S AGREEMENT LIMIT COLOR TV EXPORTS TO US RAISING QUESTION ABOUT EFFECT ON MAJOR PVT-LABEL US RETAILERS USING JAPANESE-MADE PRODUCTS. CITES SEARS AS EXAMPLE, WHICH CONCERNED TV SUPPLY FROM UNCLASSIFIED

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SANYO MFG MAY BE SEVERELY CUT.

FONMIN HATOYAMA TO FLY VANCOUVER 6/12 FOR TALKS W/CANADIAN LEADERS. CANADIAN EMB SPOKESMAN SAID TALKS WILL COVER GENRL ECON SITUATION/BILAT TRADE. HATOYAMA/EXTERNAL AFFAIRS MIN JAMIESON MAY ALSO HOLD PVT TALKS ON CANADA'S PLAN IMPOSE STRICT CONTROLS ON ENRICHED URANIUM SUPPLIED TO JAPAN. FONMIN WILL ATTEND OPENING SESSION JAPAN-CANADA JOINT ECON CMTE 6/13 (UPI TOKYO, JOC).

JAPANESE AUTOMAKERS VIEWING CALIF AS POSSIBLE PRODUCTION SITE, WANT 2 OF STATE'S TAX LAWS REVISED. GOV BROWN AIDE SAID MIGHT BE POSSIBLE CONSIDER ELIMINATING BOTH MEASURES. AIDE ARRIVED TOKYO 6/2 FOR 12-DAY ROUND TALKS W/AUTO MFRS. CALIF ALSO SEEKING JAPANESE COOPERATION IN LNG PLANT TO BE BUILT IN EARLY 1980S (UPI, JOC TOKYO).

RE JAPAN'S QUALIFIED SUPPORT FOR US-PROPOSED SYSTEM INTL GRAIN STOCKPILES, LAT'S JAMESON (TOKYO 6/7) REPORTS JAPAN WOULD INSIST UPON GUARANTEED SUPPLIES/STABLE PRICES IN ANY STOCKPILING SCHEME.

SMITHKLINE CORP HAS AGREED W/FUJISAWA PHARMACEUTICAL OF OSAKA TO FORM JOINT VENTURE TO MARKET PHARMACEUTICAL PRODUCTS IN JAPAN (WSJ).

CHITRIB'S WILLIS (TOKYO) REMARKS CHICAGO SYMPHONY'S JAPAN TOUR "AN OVERWHELMING AUDIENCE SUCCESS."

SUN'S SEIDEN (TOKYO) DOES HALF-PG ITEM ON MCDONALD'S/OTHER FAST-FOOD CHAINS IN JAPAN. NOTES US-STYLE CHAINS "HAVE CAUGHT ON LIKE WILD-FIRE," BECOMING 250-MIL-DOL-PER-YR INDUSTRY/GROWING OVER 25 PCT YRLY.

3. JAPAN/CHINA
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JAPAN HAS CONTRACTED W/PRC TO EXPORT 220,000 TONS STEEL

PRODUCTS IN 1ST HALF YR. PRICE UNDISCLOSED, BUT PRC REPORTEDLY DEMANDED BELOW AVG PRICES IN EXCHANGE FOR MASSIVE PURCHASE CONTRACTS (UPI, JOC TOKYO).

TORONTO GLOBE/MAIL'S MUNRO (CSM PEKING) REPORTS IN SPEECH THAT W DIPLOMATS DESCRIBED AS HARSHTEST ANTI-SOVIET ATTACK EVER HEARD IN PRC, VICE-PREMIER LI HSEN-NIEN CHARGED USSR 5/6 W/"HURLING VICIOUS SLANDERS AND CURSES AT CHINA." LENGTHY SPEECH USED WORDS SUCH AS "FRENZIED," "EXPANSIONIST," "PERVERSE" TO DESCRIBE SOVIET FOPOL. SPEECH DELIVERED AT WELCOME BANQUET FOR VISITING SUDANESE PRES NIMEIRY. SOVIET-BLOC ENVOYS BOYCOTTED DINNER AFTER PEOPLE'S DAILY EDIT APPEARED THAT MORNING ATTACKING USSR (PHINQ).

4. JAPAN/INDOCHINA

MAJOR JAPANESE STEELMAKERS WILL SEND MISSION TO SRV FOR 2 WKS OVER REPORTED DEAL RE 200,000 TONS STEEL PIPE/SHEET METAL FOR LATTER HALF THIS YR ON 3-YR DEFERRED PAYMENT BASIS (UPI, JOC).

5. MICRONESIA

UPI REPORTS US OFFICIAL SAID 6/6 CARTER ADMIN HOPES END TRUSTEESHIP BY 1981 AFTER ESTABLISHING FULL SELF-GOVT FOR PAC ISLANDS (WSTAR 6/7).

6. GENERAL

SENATE CONFIRMED 4 ENVOYS TUES, INCL AMB HUMMEL TO PAKISTAN (AP, WP).

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COMMENT AND ANALYSIS

7. KOREA

SEN CRANSTON (D-CAL) BACKS PULLOUT US TROOPS FROM SK; SAYS ONE VALID REASON IS TO AVOID GETTING INVOLVED IF ROKG GOES "ADVENTURING" IN NK (BERGHOLZ, LAT 6/7).

YOST (LAT 6/5) ASSESSES POSSIBILITY NKOREAN INVASION ONCE US TROOPS REMOVED FROM SK. FINDS LITTLE SIMILARITY BETW 1950 SITUATION/CURRENT STATUS IN US/SK/USSR/PRC; THUS TO "RATIONAL PERSON," WOULD SEEM "EXTREMELY UNLIKELY" USSR/PRC/NK WOULD MAKE "IDENTICAL MISTAKE" 2ND TIME. ALSO DIFFICULT IMAGINE USSR/PRC ENCOURAGING NK ATTACK/KIM

IL SUNG DOING SO AGAINST THEIR WISHES. STATES WAY
REMOVE THREAT TO PEACE ON PENINSULA NOT THRU MIL BUILDUP,

BUT IN COOPERATING W/ALL CONCERNED TO REDUCE TENSIONS/MOVE
TOWARD MORE STABLE RELS THERE. ADDS "ANOTHER GENUINE
THREAT" IN SK IS REPRESSIVE PARK GOVT, WHICH MAY ALIENATE
OWN POPULATION SO MUCH AS TO "FOSTER RATHER THAN PREVENT
SUBVERSION."

ANDERSON/WHITTEN COLUMN ON MURDER IRANIAN CAPITOL HILL
RESTAURANTEUR ALEXIS GOODARZI COMPARES HIM/HIS LIFESTYLE
W/TONGSUN PARK--INCL FACT GOODARZI HAD TIES W/SAVAK
JUST AS PARK REPORTEDLY LINKED W/KCIA. CITE SOURCES
WHO SAY GOODARZI ALSO PROVIDED "EXOTIC BEAUTIES" TO
CONGRESSMEN; BECAUSE 1 "BEAUTY" WAS KOREAN, HOUSE INVESTI-
GATORS SEEKING DETERMINE WHETHER HE HAD ANY DIRECT CONNEC-
TION W/KOREAN SCANDAL.

PHINQ NOTES INACTION HOUSE ETHICS CMTE RE SK SCANDAL. FINDS
CONCERN IN CONGRESS/BACK ROOMS ABOUT WHAT MAY TURN UP;
NOTES ESTIMATE THAT UP TO 90 CONGRESSMEN MAY BE INVOLVED.
REVIEWS IMPLICATIONS OF ALLEGATIONS. BELIEVES OATH
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SUGGESTED BY REP CAPUTO OF ETHICS CMTE DISCLOSING GIFTS
RECD FROM FON GOVTS WOULD SET "ATTRACTIVE STAGE" FROM
WHICH CMTE COULD MAKE PUBLIC NOW-OVERDUE REPT ON STATUS
INVESTIGATION/CMTE TO FOLLOW IT THRU NO MATTER WHOSE
INTERESTS MAY BE IN JEOPARDY.

MORITZ (CSM), IN SEOUL, FINDS SK CALM, BUT DISSENT THERE
DESPITE NO SIGNS SUCCESSFUL MOVEMENT TO TOPPLE PARK;
BOOMING ECONOMY IS "CARROT," WHILE REPRESSION IS "STERN
STICK." SAYS DIFFICULT JUDGE HOW WIDELY SENTIMENTS PARK'S
MOST VOCAL CRITICS ARE SHARED, SINCE SOCIETY HIGHLY
DISCIPLINED/MOST INTERESTED IN NATL STRENGTH/ECON GROWTH
RATHER THAN HUMAN RTS. ADDS COMMUNIST VICTORY IN SVN
MADE PRES PARK'S CALL FOR UNITY VS NK MORE COMPELLING.
MORITZ POINTS OUT MOST PARK'S STRONGEST CRITICS ARE
LIBERAL-THINKING/W EDUCATED CHRISTIAN CHURCHMEN WHO STAND
FOR FREE THINKING/QUESTIONING AUTHORITY RATHER THAN
TRADITIONAL CONFUCIAN VALUES OF LOYALTY/OBEDIENCE PROMOTED
BY GOVT. REPORTS ALLEGED TREATMENT ESTIMATED 185 POL
PRISONERS. HEARS SPECULATION FROM SOME THAT GOVT MAY
RELEASE SOME PRISONERS GRADUALLY TO IMPROVE IMAGE IN US.

8. INDOCHINESE REFUGEES

KAMM (NYT), FROM TOKYO, REVIEWS SITUATION VIET REFUGEES IN
ASIA. SAYS LONG AS POSSIBILITY PASSING ON RESPONSIBILITY
TO SOMEONE ELSE, REFUGEES WAIT IN LIMBO; AFTER RISKING
LIVES TO FLEE, FIND WORLD THAT SHOWS BY INACTION IT WISHES

THEY HAD STAYED WHERE CAME FROM. QUOTES HI GOJ MFA OFFICIAL THAT AS GOVT POLICY, DON'T ACCEPT REFUGEES. DESCRIBES

PLIGHT SMALL NUMBER REFUGEES IN WEALTHY JAPAN, WHERE GOJ GIVE NOTHING, SUPPORT COMES FROM UNHCR/CHARITIES. NOTES US GIVES 100 VISAS MONTHLY TO "BOAT" CASES/IMMEDIATE FAMILIES. SAYS MFA SOURCE DESCRIBED GOJ/SRV RELATIONSHIP AS NEW/IN SENSITIVE STAGE; QUOTES EUR BANKER THAT UNCLASSIFIED

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MARKET OF 50 MILLION IN SRV IS STRONGEST MAGNET TO BUSINESS/BANKING IN ASIA AND FEW COUNTRIES WOULD RISK OFFENDING HANOI FOR SAKE HUMANITARIAN CONSIDERATIONS.

KAMM GIVES VIGNETTES OF SITUATIONS INDIVIDUAL REFUGEES/ GROUPS. NOTES LACK SELF-PITY/ABSENCE IDEOLOGICAL COMMITMENT MOST CASES; FINDS DEEP UNHAPPINESS OVER INCREASINGLY RESTRICTIVE LIFE/ARBITRARY ARRESTS FOR RE-EDUCATION/SENSE BEING CUT OFF FROM WORLD. QUOTES GOJ IMMIGRATION OFFICIAL THAT HOPES PROBLEM OF VIETS "KNOCKING ON JAPAN'S DOOR" WILL DIMINISH RATHER THAN GROW.

9. JAPAN

LAT (6/7) REMARKS GATT PANEL CONCLUDED "OBVIOUS"--US COURT RULING IMPOSING NEW DUTIES ON JAPANESE TVS/RADIOS VIOLATED INTL TRADE RULES. SAYS US HAS RIGHT EXPECT TRADING PARTNERS RECOGNIZE THEIR QUARREL NOT W/OFFICIAL US POL, BUT W/COURT DECISION, "AND TO REFRAIN ACCORDINGLY" FROM RETALIATION/RHETORIC UNTIL SUPREME COURT MAKES FINAL RULING.

10. GENERAL

WM BUCKLEY (WSTAR 6/7) PONDERES WHETHER DEVELOPING COUNTRIES--SK/PHILS/SINGAPORE IN PARTICULAR--CAN TRULY BE DEMOCRATIC. QUOTES SK DEP PM NAM/PM LEE/PRES MARCOS ON DEMOCRACY. STATES US RHETORIC "SHOULD SHARPLY DISTINGUISH" BETW POL RTS/HUMAN RTS. SAYS WHILE MARCOS "UNAPPEALING," FILS/FON BUSINESSMEN AGREE THAT BEFORE MARTIAL LAW, PHILS WAS ON VERGE DISINTEGRATION. BELIEVES ONE NEEDS ASK RE ALL LEADERS DEVELOPING COUNTRIES 1 SIMPLE BUT DIFFICULT QUESTION--"ARE WE DEALING WITH GOOD MEN?" VANCE

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